

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Stockholder Representative Committee, on behalf of certain
former stockholders of Lightship Holding, Inc.,

Plaintiff,

- v. -

One Communications Corp., as successor in interest to CTC
Communications Group, Inc.,

Defendant,

- and -

Mellon Investor Services LLC,

Nominal Defendant.

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One Communications Corp., as successor in interest to CTC
Communications Group, Inc. and CTC Communications
Acquisition Corp.,

Counterclaim Plaintiff,

- v. -

JP Morgan SBIC LLC, Sixty Wall Street SBIC Fund, L.P.,
the Megunticook Fund II, L.P., The Megunticook Side Fund
II, L.P., Kevin O'Hare, Jeffrey Koester, Mellon Investor
Services LLC as nominal defendant as escrow agent and
Verizon New England Inc. as defendant on a declaratory
judgment claim,

Counterclaim Defendants.

07 CIV 5440 (LTS)

**ANSWER OF NOMINAL
ADDITIONAL COUNTERCLAIM
DEFENDANT MELLON
INVESTOR SERVICES LLC TO
COUNTERCLAIMS OF
COUNTERCLAIM PLAINTIFF
ONE COMMUNICATIONS CORP.**

Nominal Additional Counterclaim Defendant MELLON INVESTOR SERVICES

LLC ("Mellon"), by its attorneys Kelley Drye & Warren LLP, as and for its Answer to the
Counterclaims ("Counterclaims") of Counterclaim Plaintiff One Communications Corp. as

successor in interest to CTC Communications Group, Inc. and CTC Communications Acquisition Corp. (collectively “CTC”), states as follows:

1. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 28 of the Counterclaims, except admits that Mellon has been named as a Nominal Additional Counterclaim Defendant in this action.

2. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 29 of the Counterclaims.

3. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 30 of the Counterclaims

4. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 31 of the Counterclaims.

5. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 32 of the Counterclaims.

6. States that the allegations contained in paragraph 33 of the Counterclaims state legal conclusions that do not require a response.

7. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 34 of the Counterclaims.

8. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 35 of the Counterclaims.

9. States that the allegations contained in paragraph 36 of the Counterclaims state legal conclusions that do not require a response.

10. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 37 of the Counterclaims.

11. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 38 of the Counterclaims.

12. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 39 of the Counterclaims.

13. Admits the allegations contained in paragraph 40 of the Counterclaims.

14. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 41 of the Counterclaims, except admits that the Escrow Agreement contains terms with respect to jurisdiction and refers to the Escrow Agreement for the contents thereof.

15. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 42 of the Counterclaims.

16. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 43 of the Counterclaims.

17. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 44 of the Counterclaims.

18. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 45 of the Counterclaims.

19. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 46 of the Counterclaims.

20. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 47 of the Counterclaims.

21. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 48 of the Counterclaims.

22. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 49 of the Counterclaims.

23. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 50 of the Counterclaims.

24. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 51 of the Counterclaims.

25. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 52 of the Counterclaims.

26. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 53 of the Counterclaims.

27. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 54 of the Counterclaims.

28. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 55 of the Counterclaims.

29. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 56 of the Counterclaims.

30. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 57 of the Counterclaims.

31. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 58 of the Counterclaims.

32. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 59 of the Counterclaims.

33. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 60 of the Counterclaims.

34. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 61 of the Counterclaims.

35. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 62 of the Counterclaims.

36. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 63 of the Counterclaims.

37. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 64 of the Counterclaims.

38. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 65 of the Counterclaims.

39. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 66 of the Counterclaims.

40. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 67 of the Counterclaims.

41. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 68 of the Counterclaims.

42. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 69 of the Counterclaims.

43. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 70 of the Counterclaims.

44. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 71 of the Counterclaims.

45. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 72 of the Counterclaims.

46. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 73 of the Counterclaims.

47. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 74 of the Counterclaims.

48. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 75 of the Counterclaims.

49. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 76 of the Counterclaims.

50. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 77 of the Counterclaims.

51. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 78 of the Counterclaims.

52. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 79 of the Counterclaims.

53. States that the allegations contained in paragraph 80 of the Counterclaims state legal conclusions that do not require a response.

54. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 81 of the Counterclaims.

55. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 82 of the Counterclaims.

56. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 83 of the Counterclaims.

57. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 84 of the Counterclaims.

58. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 85 of the Counterclaims.

59. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 86 of the Counterclaims.

60. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 87 of the Counterclaims.

61. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 88 of the Counterclaims.

62. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 89 of the Counterclaims.

63. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 90 of the Counterclaims.

64. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 91 of the Counterclaims.

65. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 92 of the Counterclaims.

66. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 93 of the Counterclaims.

67. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 94 of the Counterclaims.

68. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 95 of the Counterclaims.

69. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 96 of the Counterclaims.

70. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 97 of the Counterclaims.

71. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 98 of the Counterclaims.

72. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 99 of the Counterclaims.

73. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 100 of the Counterclaims.

74. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 101 of the Counterclaims.

75. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 102 of the Counterclaims.

76. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 103 of the Counterclaims.

77. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 104 of the Counterclaims.

78. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 105 of the Counterclaims.

79. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 106 of the Counterclaims.

80. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 107 of the Counterclaims.

81. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 108 of the Counterclaims.

82. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 109 of the Counterclaims.

83. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 110 of the Counterclaims.

84. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 111 of the Counterclaims.

85. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 112 of the Counterclaims.

86. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 113 of the Counterclaims.

87. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 114 of the Counterclaims.

88. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 115 of the Counterclaims.

89. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 116 of the Counterclaims.

90. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 117 of the Counterclaims.

91. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 118 of the Counterclaims.

92. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 119 of the Counterclaims.

93. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 120 of the Counterclaims.

94. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 121 of the Counterclaims.

95. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 122 of the Counterclaims.

96. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 123 of the Counterclaims, except admits that Mellon executed the Escrow Agreement, that certain funds were transferred to Mellon as the escrow agent, that the Escrow Agreement contains terms regarding the resolution of claims, and refers to the Escrow Agreement for the contents thereof.

97. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 124 of the Counterclaims.

98. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 125 of the Counterclaims.

99. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 126 of the Counterclaims.

100. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 127 of the Counterclaims.

101. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 128 of the Counterclaims.

102. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 129 of the Counterclaims.

103. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 130 of the Counterclaims.

104. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 131 of the Counterclaims.

105. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 132 of the Counterclaims.

106. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 133 of the Counterclaims.

107. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 134 of the Counterclaims.

108. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 135 of the Counterclaims, except admits that CTC sent a letter to Mellon dated October 11, 2005 and refers to such letter for the contents thereof.

109. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 136 of the Counterclaims, except admits that CTC sent a letter to Mellon dated October 11, 2005 and refers to such letter for the contents thereof.

110. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 137 of the Counterclaims.

111. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 138 of the Counterclaims.

112. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 139 of the Counterclaims.

113. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 140 of the Counterclaims.

114. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 141 of the Counterclaims, except admits that it has no record of receiving instructions to release funds to CTC.

115. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 142 of the Counterclaims.

116. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 143 of the Counterclaims.

117. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 144 of the Counterclaims, except admits that it has no record of receiving instructions to release funds to CTC.

118. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 145 of the Counterclaims.

AS AND FOR MELLON'S ANSWER TO COUNT I OF THE COUNTERCLAIMS

119. Repeats and realleges the responses to the allegations contained in paragraphs 28 through 145 of the Counterclaims as if fully stated herein.

120 – 128 States that the allegations contained in paragraphs 147 to 155 of the Counterclaims are not directed against Mellon so no response is required. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 147 to 155 of the Counterclaims.

AS AND FOR MELLON'S ANSWER TO COUNT II OF THE COUNTERCLAIMS

129. Repeats and realleges the responses to the allegations in paragraphs 28 through 155 of the Counterclaims as if fully stated herein.

130 – 132 States that the allegations contained in paragraphs 157 to 159 of the Counterclaims are not directed against Mellon so no response is required. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 157 to 159 of the Counterclaims.

AS AND FOR MELLON'S ANSWER TO COUNT III OF THE COUNTERCLAIMS

133. Repeats and realleges the responses to the allegations in paragraphs 28 through 145 of the Counterclaims as if fully stated herein.

134 – 141 States that the allegations contained in paragraphs 161 to 168 of the Counterclaims are not directed against Mellon so no response is required. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 161 to 168 of the Counterclaims.

AS AND FOR MELLON'S ANSWER TO COUNT IV OF THE COUNTERCLAIMS

142. Repeats and realleges the responses to the allegations in paragraphs 28 through 145 of the Counterclaims as if fully stated herein.

143 – 146. States that the allegations contained in paragraph 170 to 173 of the Counterclaims are not directed against Mellon so no response is required. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 170 to 173 of the Counterclaims.

AS AND FOR MELLON'S ANSWER TO COUNT V OF THE COUNTERCLAIMS

147. Repeats and realleges the responses to the allegations in paragraphs 28 through 145 of the Counterclaims as if fully stated herein.

148. States that the allegations contained in paragraph 175 of the Counterclaims are not directed against Mellon so no response is required. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 175 of the Counterclaims, and denies all allegations contained in Paragraph 175 of the Counterclaims to the extent such allegations are directed against Mellon.

149. States that the allegations contained in paragraph 176 of the Counterclaims are not directed against Mellon so no response is required. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 176 of the Counterclaims, and denies all other allegations contained in paragraph 176 of the Counterclaims to the extent such allegations are directed against Mellon.

150. States that the allegations contained in paragraph 177 of the Counterclaims are not directed against Mellon so no response is required. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 177 of the Counterclaims, and denies all other allegations

contained in paragraph 177 of the Counterclaims to the extent such allegations are directed against Mellon.

151. Denies allegations contained in paragraph 178 of the Counterclaims to the extent such allegations are directed against Mellon, except admits that an amount was transferred to Mellon under the Escrow Agreement and refers to the Escrow Agreement for the contents thereof.

152. States that the allegations contained in paragraph 179 of the Counterclaims are not directed against Mellon so no response is required. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 179 of the Counterclaims, and denies all other allegations contained in paragraph 179 of the Counterclaims to the extent such allegations are directed against Mellon.

153. States that the allegations contained in paragraph 180 of the Counterclaims are not directed against Mellon so no response is required. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 180 of the Counterclaims, and denies all other allegations contained in paragraph 180 of the Counterclaims to the extent such allegations are directed against Mellon.

AS AND FOR MELLON'S ANSWER TO COUNT VI OF THE COUNTERCLAIMS

154. Repeats and realleges the responses to the allegations in paragraphs 28 through 145 of the Counterclaims as if fully stated herein.

155. States that the allegations contained in paragraph 182 of the Counterclaims stated legal conclusions that do not require a response. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the

allegations contained in paragraph 182 of the Counterclaims, and denies all other allegations contained in paragraph 182 of the Counterclaims to the extent such allegations are directed against Mellon.

156. States that the allegations contained in paragraph 183 of the Counterclaims are not directed against Mellon so no response is required. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 183 of the Counterclaims, and denies all other allegations contained in paragraph 183 of the Counterclaims to the extent such allegations are directed against Mellon.

157. States that the allegations contained in paragraph 184 of the Counterclaims are not directed against Mellon so no response is required. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 184 of the Counterclaims, and denies all other allegations contained in paragraph 184 of the Counterclaims to the extent such allegations are directed against Mellon.

AS AND FOR MELLON'S ANSWER TO COUNT VII OF THE COUNTERCLAIMS

158. Repeats and realleges the responses to the allegations in Paragraphs 28 through 145 of the Counterclaims as if fully stated herein.

159. States that the allegations contained in paragraph 186 of the Counterclaims stated legal conclusions that do not require a response. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 186 of the Counterclaims, and denies all other allegations contained in paragraph 186 of the Counterclaims to the extent such allegations are directed

against Mellon, except admits that Mellon has not received instructions to release funds held in escrow.

160. States that the allegations contained in paragraph 187 of the Counterclaims are not directed against Mellon so no response is required. To the extent a response may be required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 187 of the Counterclaims, and denies all other allegations contained in paragraph 187 of the Counterclaims to the extent such allegations are directed against Mellon.

AS AND FOR A FIRST AFFIRMATIVE DEFENSE

The Counterclaims do not, and do not purport to state, a claim of wrongdoing by Mellon upon which relief may be granted.

AS AND FOR A SECOND AFFIRMATIVE DEFENSE

Mellon is entitled to, and invokes, the protections of Section 6 of the Escrow Agreement.

AS AND FOR A THIRD AFFIRMATIVE DEFENSE

Under the Escrow Agreement, Mellon is entitled to reimbursement of its reasonable out of pocket costs and expenses, including without limitation reasonable fees and disbursements of counsel in connection with this action.

AS AND FOR A FOURTH AFFIRMATIVE DEFENSE

Mellon is entitled to be indemnified by the parties to the Escrow Agreement.

WHEREFORE, Nominal Additional Counterclaim Defendant Mellon demands judgment as follows:

(a) dismissing with prejudice all claims, to the extent any such claims assert wrongdoing against Mellon;

(b) awarding the costs of defending this action, including reasonable attorneys' fees, costs and disbursements; and

(c) granting such other and further relief as this Court may deem just and proper.

Dated: October 24, 2007

MELLON INVESTOR SERVICES, LLC

By: /s/Nicholas J. Panarella
Nicholas J. Panarella
KELLEY DRYE & WARREN LLP
101 Park Avenue
New York, NY 10178
(212) 808-7800

Attorneys for Nominal Additional
Counterclaim Defendant
Mellon Investor Services, LLC